

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**SB 1795 - HB 2104**

April 2, 2009

**SUMMARY OF BILL:** Grants a health care provider the authority to appeal to the Commissioner of Commerce and Insurance a managed care organization's (MCO) decision to not alter or modify a provider's rating after receiving data for reconsideration within 30 days of the insurer's notification of its decision.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$19,500/One-Time  
\$122,200/Recurring**

Assumptions:

- The Department of Commerce and Insurance will incur an increase in one-time expenditures of \$15,500 to develop the appeals process and procedures (\$7,000), develop a complaint form (\$1,000), and promulgate rules and regulations (\$7,500).
- The Department will need an administrative services assistant position to receive and process appeals from providers and assist providers and MCOs in the appeals process.
- This position will result in an increase in recurring expenditures of \$72,234 which includes salary (\$42,264), benefits (\$14,370), administrative costs (\$11,200), communications and networking (\$1,600), office lease (\$2,200), and supplies (\$600). There will be one-time expenditures of \$4,000 for a computer and printer (\$2,000) and office set-up (\$2,000).
- The Department estimates that there will be at least 10 appeals hearing a year that cost \$5,000 each resulting in an increase in expenditures of \$50,000.

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**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized initial "J".

James W. White, Executive Director

/kml